

fresh new home loans

as low as

3.75% **3.64%** APR*



Finally, an ARM you can hold on to

With all the buzz over home loan rates, you would think someone would come up with a smarter loan. That someone is CoastHills, who has fresh new mortgage loans to brighten your future.

Introducing the 5/5 and 2/2 Hybrid ARMs

The idea of an adjustable rate mortgage isn't new. But increasing the length of the adjustment period rate is. Imagine the savings and the peace of mind that comes with knowing your rate can only adjust every two years with the 2/2 ARM, or every five years with the 5/5**.

A low rate adjustment guarantee

Regardless of the loan you choose, you are guaranteed that your rate will not adjust more than 1.5% on the 5/5 or 1.0% on the 2/2 during each adjustment period. Plus, you get affordable payments, since both loans are amortized over 30 years.

* See disclosure on page 4.

Avoid the sting of points and high closing costs

Planting the seeds of savings would do you little good if there were high closing costs involved. That's why the CoastHills Hybrid ARMs have no points and very affordable closing costs.

Make your savings bloom today

The new Hybrid ARMs are perfect for purchasing or refinancing. There is no prepayment penalty, so you can grow your savings even more by accelerating your payments. Or, keep them to the lowest possible amount with the 30 year amortization.

Learn more by going to our special web site, freshnewloans.com, call or come into a CoastHills branch nearest you. Color yourself and your family happy with the fresh new 5/5 and 2/2 Hybrid ARMs.



Meet us at The Forum Our New SLO Branch Office

A funny thing did happen on the way to the Forum, on the corner of Marsh and Garden Street in downtown SLO. It's soon to be the new branch office for CoastHills.

A state of the art facility

This won't be just "another" branch office. Quite the contrary, CoastHills is pulling out all the stops to make our new branch the latest in technology. The result will be faster service, fewer lines and more opportunity to get the attention you need.

Check our website for our exact opening date, and for our opening celebration in May.

Your 'Droid is Welcome Here

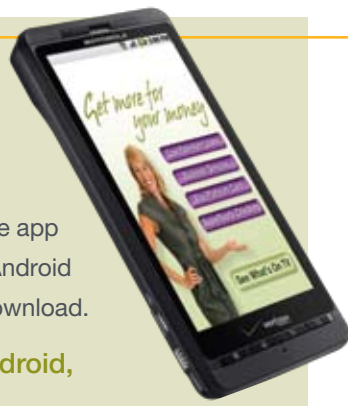
CoastHills introduced the iPhone mobile app in 2010 and is proud to announce the Android version is now here and available for download.

From the convenience of your Android, you can:

- Access your CoastHills accounts
- Find the ATMs nearest to you any where you are
- See the current rates for virtually all accounts
- Receive the latest CoastHills promotional offers and news

It's free and available now.

Learn more at bankamongfriends.com and get the FREE Android mobile app today!



It's Where the Fresh Savings Are

Go to freshnewloans.com to find great deals

CoastHills Federal Credit Union has produced a special promotional web site for everyone on the Central Coast to find the best fresh new loans. This easy-to-remember web site will be where you will find the details on our new home loan offers. Other great offers are in the works, like a fantastic new credit card. This web site is also mobile-optimized, so you can view it from your Internet capable smartphone.



Meet Joanna

By now, you have probably noticed our new CoastHills spokesperson. Her name is Joanna and we are thrilled to have her represent the Credit Union to the public.

Joanna is a professional actress on the Central Coast. She and her husband are small business owners and members of CoastHills.

More television ads with Joanna are in production. Watch for them soon.

A Rate that Gets You Rolling

vehicle loans as low as
2.99% APR*

If you are like many of our members, you have been patiently stretching extra miles out of your existing car, uncertain of what the future may bring. In fact, more Americans are “deleveraging”, meaning that they are paying down their own personal debt as an important lesson learned from the financial challenges that face us.

If you are in the market for a new or used car, now is a great time to take advantage of our great auto loan rates. In fact, if you are able to put at least 20 percent down on your purchase, we are currently offering rates as low as 2.99 percent, depending on your credit rating.

Call us today, or visit any branch for a pre-approval. CoastHills wants to make the car buying process as easy as possible, and finding out exactly what you can afford is a great first step.

* See disclosure on page 4.





Let's All Give Them a Hand

Help children overcome severe illness and disabilities

Their life is all in front of them. Except when very serious illnesses or disabilities pose serious obstacles, making their future dark and uncertain. But this is where Jack's Helping Hand comes to the rescue.

They are a non-profit organization based on the Central Coast that assists with local children illnesses and disabilities, funding special treatments, services and transportation that are not provided by other sources, including obligations that exceed the family's financial capabilities.

CoastHills proudly supports Jack's Helping Hand

Your Credit Union is proud to sponsor Jack's Helping Hand as a business sponsor. Look for the special fund raising displays in our branches. For just \$1, you too can help a local child in need. Go to their web site to learn more about Jack's Helping Hand: jackshelpinghand.org



Your new Board of Directors

The following candidates were elected to three year terms during our annual meeting on March 23.



Hugh Rafferty



Roger Welt



Bill Anders

Thanks, Dr. McIntire!

2011 will mark the end of Dr. Robert McIntire's tenure on our Board of Directors, as he transitions to Emeritus status. Bob served as a volunteer director for 18 years, nine as Chairman of the Board. His demeanor remained calm, confident, and steady through challenging times and through times of prosperity. We are grateful for his wisdom, his commitment, and his leadership, and look forward to his continued contributions as an Emeritus member to our Board.



Annual Meeting Review

Together with the CoastHills' staff and volunteers, more than 100 members attended the Annual Meeting on March 23rd and the Radisson Hotel in Santa Maria. Members were able to meet the Board of Directors and hear highlights from 2010, as well as plans for 2011.

Mr. Hugh Rafferty, Board Chair, explained the four pillars that provide the foundation for CoastHills success and growth: financial strength, people, community and relationships. "These four pillars provide the foundation for our Credit Union. Our focus on and commitment to these pillars in 2010 allowed us to emerge better capitalized, more efficient, and well positioned for successful growth in 2011 and beyond", Mr. Rafferty said.

Jeff York, President/CEO, also emphasized the importance of relationships. "As we focus on our people, on building relationships with our members, and on giving unmatched support to our communities, we are confident that the financial strength of your Credit Union will continue to grow" stated Mr. York. "The guarded optimism that guided us through a successful 2010 remains a cornerstone of our 2011 strategy."

Paso Robles
1402 Spring Street

Atascadero
8900 Pueblo Avenue

San Luis Obispo (current)
1106 Walnut Street

San Luis Obispo (coming soon)
751 March, Suite 100

Five Cities
1580 West Branch St.

Nipomo
532 W. Tefft Street

Santa Maria
1203 South Broadway

Crossroads
2364 S. Bradley, Suite F1

Orcutt
1157 E. Clark Avenue

Vandenberg AFB
Building #10375

Vandenberg Village
3880 Constellation Road

Lompoc
1320 North H Street

(805) 733-7600
(800) 262-4488
info@coasthills.coop
www.bankamongfriends.com

A Fresh Look at Mortgage Financing

Now is the time to take advantage of low prices and rates

It is beginning to look like we are seeing the early stages of an improving situation for both home prices and mortgage rates.

Improving market means higher prices

This is true for both homes and the loans used to buy them. So it is important for you to keep track of trends if you want to get the most for your money. The lowest costs in decades are available right now.

DataQuick and Zillow are sources to use

There are a lot of information sources out there. DataQuick and Zillow.com are two of my favorites. DataQuick maintains a database of public record filings for real estate sales. This makes their data very accurate. Zillow tracks the most current sales and shows current listings, with the added benefit of bringing their information down to the zip code level.

DataQuick's latest report for San Luis Obispo County showed home sales were up 10.5%, with prices down by 13.2%, year-over-year. Santa Barbara County sales were down 12.5%, with prices down 10.8%. Of course, this was the result for January, which is not an active month for home sales.

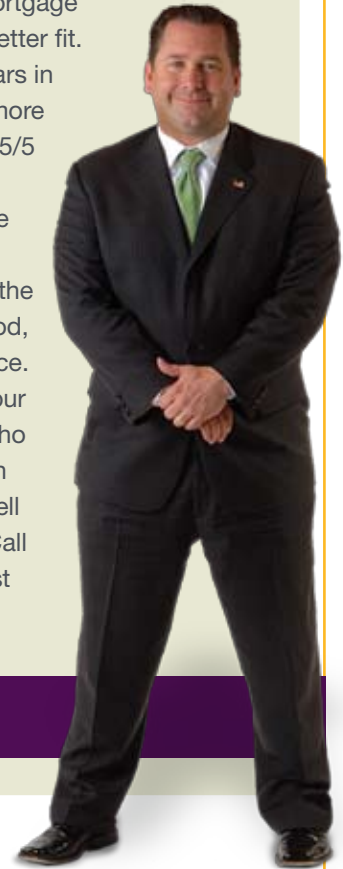
Interest rates for 30-year fixed rate mortgages were averaging 4.87% nationwide in March, according to the Federal Reserve. All indications are rates will not stay at these historically low levels too much longer.

It's only a 30-year loan if you own the home for 30 years

Yes, a 30-year fixed rate loan is the most popular form of home financing. It's great if you own the home for at least 30-years. Is that you? Chances are, it's not.

An adjustable rate mortgage (ARM) could be the better fit.

For instance, if 10 years in a particular home is more your profile, then our 5/5 loan, which currently charges 4.75% for the first five years and no more than 6.25% for the second five year period, is a much better choice. The same is true for our 2/2 ARM, for those who could be moving even sooner. This works well for refinancing, too. Call us now to get the best deals in decades.



holidays

Memorial Day
Monday, May 30

Independence Day
Monday, July 4



Sound Advice from Jeff York

FRESH NEW LOANS

2/2 ARM

*3.75% interest rate will result in an APR (Annual Percentage Rate) of 3.642% based on a \$417,000 loan at 3.75% with zero points. Monthly payment would be \$1931.19. Payment example is based on \$4.63 per \$1,000 financed. Maximum loan-to-value of 80%, owner occupied, single family home. Rates are as of March 22, 2011 and are subject to change without notice. Payment is amortized over 30 years. Rate is fixed for the first two years of the loan. Rate can adjust by no more than 1% up or down rounded to the nearest .125% with a lifetime cap of 6% and a floor of 3.50%. Payment does not include taxes and insurance, your obligation will be greater. All loans are subject to approval. All loans have 1% origination fee at time of funding. Other conditions may apply.

5/5 ARM

**4.75% interest rate will result in an APR (Annual Percentage Rate) of 4.861% based on a \$417,000 loan at 4.75% with zero points. Monthly payment would be \$2,175.27. Payment example is based on \$5.22 per \$1,000 financed. Maximum loan-to-value of 80%, owner occupied, single family home. Rates are as of March 22, 2011 and are subject to change without notice. Payment is amortized over 30 years. Rate is fixed for the first five years of the loan. Rate can adjust by no more than 1.5% up or down rounded to the nearest .125% with a lifetime cap of 6% and a floor of 4.50%. Payment does not include taxes and insurance, your obligation will be greater. All loans are subject to approval. All loans have 1% origination fee at time of funding. Other conditions may apply.

2.99% AUTO LOANS

*APR = Annual Percentage Rate. 2.99% rate is our best rate for up to 72 months, with 20% down payment. Rate quoted is good for vehicles and motorcycles, new and used, 2004 - 2010 model years including refinance of existing vehicle loan. Your actual rate is subject to credit approval and may differ depending on your credit history, amount financed and terms. Existing CoastHills loans may be refinanced for a \$295 fee or a loan increase of \$3,000. This promotional offer may not be combined with any other discounts. Rate subject to change without notice. Payment Examples: 2.99% at 72 months is \$16 per \$1,000 borrowed; 2.99% at 36 months is \$30 per \$1,000 borrowed.